

Last updated: June 21, 2006 09:18am

## **Inland Empire Courts Upscale Retailers**

*By Bob Howard*

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SAN BERNARDINO, CA-New retail developments are sprouting around every corner in the Inland Empire, so the message from economic development officials here might come as a surprise: The Inland Empire is under-served by upscale retail. The San Bernardino County Economic Development Agency concludes the population explosion and the changing demographics have made this region one of the country's fastest growing in recent years.

The report cites statistics compiled by John Husing, an economist who has studied the region for decades, and shows that residents of the Inland Empire have the second highest level of discretionary income in Southern California as compared to the counties of Orange, San Diego and Los Angeles. The number of high-paying jobs are climbing in the Inland Empire "because the region's competitive advantages are changing," Husing says. "This comes from the rapid influx of well-educated workers seeking affordable high-end homes."

For retailers looking to grow in Southern California, "We have a compelling story to tell in terms of population, income and opportunity," says Bill Postmus, chairman of the San Bernardino County Board of Supervisors. Brian McGowan, economic development agency administrator for the county, says, continued increases in jobs and housing underscore "the immediate need for more development and investment, specifically in retail and other services."

McGowan points out the county offers work force development programs to retailers to support their ongoing hiring needs, provides assistance to businesses via training reimbursement programs and tax credits, offers to assist with recruiting and pre-screening of applicants and provides other services at no cost to the business owner.

McGowan cites the example of Victoria Gardens, where San Bernardino County and the City of Rancho Cucamonga provided assistance from the construction phase through the grand opening in a partnership with the retail center developers. The county and city efforts were detailed in a [GlobeSt.com/Retail](http://GlobeSt.com/Retail) report when the 1.2-million-sf Victoria Gardens opened in October 2004.

McGowan points out another promising statistic supporting opportunities for retailers: A recently released Marcus & Millichap National Retail Index ranks Riverside-San Bernardino as the 10th on its list of 42 national markets, based on projected supply and demand conditions. Despite increased retail development, tenant demand is high and space is filling quickly, the report notes.

The County of San Bernardino report cites a host of other statistics regarding the county and the Inland Empire, pointing out that San Bernardino is the 11th most populous county in the nation with almost two million residents, and that 50% of all jobs created in California in 2005 were in the Inland Empire.

By the year 2020, the Inland Empire population (including both San Bernardino and Riverside counties) will be more than five million. A growing percentage of that population will be "a

combination of established affluent households and a large rapidly growing population of young, upwardly mobile families" that can support retail at all levels, the economic development officials say.

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